

GUNYANG SKI LODGE LIMITED

ABN 49 110 585 656

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

GUNYANG SKI LODGE LIMITED
ABN 49 110 585 656

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GUNYANG SKI LODGE LIMITED
ABN 49 110 585 656

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2020

The Directors of Gunyang Ski Lodge Limited (the "Company") present their report for the financial year ended 30 June 2020.

Directors

The names of each person who has been a Director during the year and to the date of this report are:

John Quinn
Mark Lumby
Stuart Roberts
Helen Roberts
Kerrie Newham
Matthew Waters
Kestine Kenny
David Reeve (appointed 23 October 2019)
Bruce Foye (appointed 23 October 2019)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review of Operations

The net deficit of the Company for the financial year amounted to \$34,010 (2019: surplus \$6,752).

A review of the operations of the Company during the financial year and the results of those operations show, that during the year, the Company continued to engage in its principal activity. The lodge was closed on 25 March 2020 due to social distancing requirements related to COVID-19 and associated government regulations, and reopened to members for whole of lodge bookings on 10 June 2020. As a result, COVID-19 and associated government regulations have adversely impacted the Company's net position for the financial year; revenue was lower compared to the prior year and Directors reduced expenses to a minimum where possible, the results of which are disclosed in the attached financial statements.

Significant Changes in the State of Affairs

No significant changes occurred in the Company's state of affairs during the financial year.

Principal Activity

The principal activity of the Company during the financial year was to acquire and manage ski related property or properties, including shares in ski related properties, for the benefit and enjoyment of, and to encourage skiing, snow-boarding and other winter and summer mountain sporting activities for its shareholders and non-shareholders.

There have been no significant changes in the nature of those activities during the financial year.

Events Subsequent to the End of the Reporting Date

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided, as well as the Company reducing expenses, as appropriate.

Except for the COVID-19 and subsequent government actions, there has been no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

GUNYANG SKI LODGE LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2020

Likely Developments and Expected Results of Operations

The Company will continue to pursue its principal activity.

The Company's future performance is dependent on the performance of the Ski Lodge which is impacted by a specific and prevailing industry conditions. In addition, a range of external factors including the level of occupancy and other macro-economic conditions impact the overall result of the Company's operations.

Environmental Regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends

No dividends were declared or paid during the financial year (2019: \$nil). No recommendation for payment of dividend has been made since year end.

Options

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Information of Directors

John Quinn

Qualifications Lawyer, Director of the Company since incorporation

Mark Lumby

Qualifications Bachelor of Business, Chartered Accountant

Stuart Roberts

Qualifications BComm

Helen Roberts

Qualifications BSc and DipBA

Kerrie Newham

Qualifications Dip Applied Science (Nursing), Registered BAS Agent, Company Director

Matthew Waters

Qualifications Financial Advisor/Portfolio Manager – B Econ(Finance) from Macquarie Uni, Derivatives Lvl 1 & 2.

Kestine Kenny

Qualifications Dip Ag, Dip. Prof. Styling. Business Owner

David Reeve

Qualifications Dip Bulding, Dip Quantity Surveying

Bruce Foye

Qualifications Certified Financial Planner. B.A. Dip Ed Dip D.I.I DIP FP

GUNYANG SKI LODGE LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2020

Meetings of Directors

During the financial year, 12 meetings of directors was held. Attendances by each Directors were as follows:

Directors	Number eligible to attend	Number attended
John Quinn	12	12
Mark Lumby	12	10
Stuart Roberts	12	12
Helen Roberts	12	12
Kerrie Newham	12	8
Matthew Waters	12	8
Kestine Kenny	12	10
David Reeve	8	6
Bruce Foye	8	8

Company Secretary

The following people held the position of Company secretary at the end of the financial year:

John Quinn and Lucy Davis

Indemnification of Officer or Auditor

The Company is paying premiums to insure Directors and Officers of the Company against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of director of the Company, other than conduct involving willful breach of duty in relation to the Company.

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.


Rounding of Amounts to Nearest Dollar

In accordance with ASIC corporations (Rounding in Financial/Director's Reports) Instrument 2016/191, the amounts in the Directors' report and in the financial report have been rounded to the nearest dollar.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 4.

Signed in accordance with a resolution of the Board of Directors:



John Quinn
Chairperson

Dated in Sydney, this 29th day of October 2020.

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Sydney NSW 2000

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Sydney NSW 2001

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF GUNYANG SKI LODGE LIMITED
ABN: 49 110 585 656**

In relation to the independent audit for the year ended 30 June 2020, to the best of my knowledge and belief there have been:

- no contraventions of the auditor's independence requirements of the *Corporations Act 2001*; and no contraventions of any applicable code of professional conduct.
- No contraventions of any applicable code of professional conduct.



M A ALEXANDER
Partner

PITCHER PARTNERS
Sydney

29 October 2020

GUNYANG SKI LODGE LIMITED
ABN 49 110 585 656

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Revenue	2(a)	<u>108,037</u>	<u>172,694</u>
Expenses:			
Administration expenses		(29,817)	(40,425)
Advertising and booking fees		(6,020)	(15,945)
Depreciation and amortisation expense		(43,722)	(36,662)
Finance costs		(21,926)	(4,447)
Property and occupancy costs		(37,033)	(63,327)
Other expenses		<u>(3,529)</u>	<u>(5,136)</u>
		<u>(142,047)</u>	<u>(165,942)</u>
Operating (deficit) / surplus before income tax		(34,010)	6,752
Income tax expense		<u>-</u>	<u>-</u>
Net (deficit) / surplus for the year		(34,010)	6,752
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive (loss) / income attributable to the Company		<u>(34,010)</u>	<u>6,752</u>

The accompanying notes form part of these financial statements.

GUNYANG SKI LODGE LIMITED
ABN 49 110 585 656

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	-	-
Trade and other receivables	4	9,120	4,390
Other current assets	5	4,606	6,511
TOTAL CURRENT ASSETS		<u>13,726</u>	<u>10,901</u>
NON-CURRENT ASSETS			
Plant and equipment	6	703,746	722,780
Intangible assets	7	-	528,504
Right of use asset	10	913,454	-
TOTAL NON-CURRENT ASSETS		<u>1,617,200</u>	<u>1,251,284</u>
TOTAL ASSETS		<u>1,630,926</u>	<u>1,262,185</u>
LIABILITIES			
CURRENT LIABILITIES			
Borrowings	8	147,055	127,673
Trade and other payables	9	12,654	13,694
Lease liabilities	10	1,638	-
Contract liabilities	11	24,542	48,402
Provisions	12	-	-
TOTAL CURRENT LIABILITIES		<u>185,889</u>	<u>189,769</u>
NON-CURRENT LIABILITIES			
Lease liabilities	10	406,631	-
TOTAL NON-CURRENT LIABILITIES		<u>406,631</u>	<u>-</u>
TOTAL LIABILITIES		<u>592,520</u>	<u>189,769</u>
NET ASSETS		<u>1,038,406</u>	<u>1,072,416</u>
EQUITY			
Issued capital		1,400,000	1,400,000
Accumulated losses		(361,594)	(327,584)
TOTAL EQUITY		<u>1,038,406</u>	<u>1,072,416</u>

The accompanying notes form part of these financial statements.

GUNYANG SKI LODGE LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Issued Capital \$	Accumulated Losses \$	Total \$
Balance at 1 July 2018	1,400,000	(334,336)	1,065,664
Comprehensive loss:			
Net surplus for the year	-	6,752	6,752
Other comprehensive income	-	-	-
	<u>-</u>	<u>6,752</u>	<u>6,752</u>
Balance at 30 June 2019	1,400,000	(327,584)	1,072,416
Comprehensive income:			
Net deficit for the year	-	(34,010)	(34,010)
Other comprehensive income	-	-	-
	<u>-</u>	<u>(34,010)</u>	<u>(34,010)</u>
Balance at 30 June 2020	<u>1,400,000</u>	<u>(361,594)</u>	<u>1,038,406</u>

The accompanying notes form part of these financial statements.

GUNYANG SKI LODGE LIMITED
ABN 49 110 585 656

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		79,447	149,013
Payments to suppliers		(75,534)	(122,734)
Interest paid		(21,926)	(4,447)
		<u> </u>	<u> </u>
Net cash (used in) / provided from operating activities	15	<u>(18,013)</u>	<u>21,832</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		<u> -</u>	<u>(167,458)</u>
Net cash used in investing activities		<u> -</u>	<u>(167,458)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal repayment of lease liabilities		<u>(1,369)</u>	<u> -</u>
Net cash used in financing activity		<u>(1,369)</u>	<u> -</u>
Net decrease in cash and cash equivalents		(19,382)	(145,626)
Cash and cash equivalents at the beginning of the financial year		<u>(127,673)</u>	<u>17,953</u>
Cash at the end of the financial year	3	<u>(147,055)</u>	<u>(127,673)</u>

The accompanying notes form part of these financial statements.

GUNYANG SKI LODGE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Directors have prepared the financial statements on the basis that the Company is a non-reporting entity because there are no users who are dependent on its general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Corporations Act 2001*. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements were authorised for issue on the 29th of October 2020 by the Board of Directors.

New, Revised or Amending Accounting Standards and Interpretations Adopted

The Company has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

For the year ended 30 June 2020, the Company has adopted the following new Accounting Standards (and their relevant amending standards issued by the AASB):

- AASB 1058 Income of Not-for-Profit Entities;
- AASB 15 Revenue from Contracts with Customers; and
- AASB 16 Leases.

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

The mandatory date of adoption for AASB 15 and AASB 1058 was 1 July 2019. The Company has elected to apply the modified retrospective approach allowable under the Standards, reflecting the cumulative impact arising from adoption (if any) as an adjustment to opening accumulated surplus at 1 July 2019.

As a result, comparative financial information has not been restated.

AASB 15 involves the use of a five-step recognition model for recognising revenue, the steps are:

- Step 1 – Identify the contract with the customer;
- Step 2 – Identify the sufficiently specific performance obligations to be satisfied;
- Step 3 – Measure the expected consideration;
- Step 4 – Allocate that consideration to each of the performance obligations in the contract; and
- Step 5 – Recognise revenue.

The Company has elected to adopt the practical expedient whereby contracts that are considered to be 'complete' (where revenue has been fully recognised in accordance with previous standards) are not adjusted upon the adoption of the new standards.

AASB 1058 measures income by reference to the fair value of the asset received. The asset received, which could be a financial or non-financial asset, is initially measured at fair value when the consideration paid for the asset is significantly less than fair value, and that difference is principally to enable the Company to further its objectives. Otherwise, assets acquired are recognised at cost.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New, Revised or Amended Accounting Standards Adopted (Continued)

Where the asset has been measured at fair value, AASB 1058 requires that elements of other Accounting Standards are identified before accounting for the residual component. These standards are:

- AASB 15 Revenue from Contracts with Customers;
- AASB 16 Leases;
- AASB 1004 Contributions;
- AASB 137 Provisions, Contingent Liabilities & Contingent Assets; and
- AASB 9 Financial Instruments.

A transfer that requires the Company to use those funds to acquire or construct a recognisable non-financial asset to identified specifications; does not require the Company to transfer the non-financial asset to the transferor or other parties; and occurs under an enforceable agreement is recognised income when (or as) the Company satisfies its obligations under the transfer.

The Company has completed its analysis of the impacts of adoption and has concluded that there is no material change to the presentation, recognition and measurement of revenue as a result of the transition to AASB 15 and AASB 1058.

AASB 16 Leases

The Company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, lease assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the lease assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of Adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits as at 1 July 2019 was as follows:

	1 July 2019
	\$
Operating lease commitments as at 1 July 2019	805,715
Operating lease commitments discount based on the weighted average incremental borrowing rate of 3.9%	<u>(396,077)</u>
Lease assets	<u>409,638</u>
Lease liabilities - current	1,368
Lease liabilities - non-current	<u>408,270</u>
	<u>409,638</u>

GUNYANG SKI LODGE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Preparation

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant accounting policies disclosed below, which the Directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

(a) Income Tax

The Company operates for the mutual benefit of its members such that it is not liable to pay income tax on subscriptions and other revenues received from members and the related outgoings allowable as an income tax deduction. The Company is liable for tax on income from non-members less any related outgoings. Other income is also apportioned between members and non-members for income tax purposes.

(b) Revenue

In the previous financial year, revenue recognised in accordance with AASB 118 Revenue was measured at the fair value of the consideration received or receivable. The Company recognised revenue when the amount of revenue could be reliably measured, it was probable that future economic benefits will flow to the Company and specific criteria had been met for each of the Company's activities. All revenue is stated net of the amount of goods and services tax (GST).

Revenue recognised under AASB 15 is measured at the amount which the Company expects to receive in consideration for satisfying performance obligations to a customer. A performance obligation is the distinct good or service defined within the contract with a customer. The transaction price is allocated to one or more performance obligations contained within the contract, with revenue being recognised as or when the performance obligation is satisfied.

Where consideration comprises variable components, the amount recognised as revenue is constrained to that amount that would not result in a significant reversal of the cumulative revenue recognised when that uncertainty is resolved.

Membership subscriptions are brought to account as income at the time these are received except that where members' subscriptions are received in respect of a future financial period, the income is deferred and subsequently recognised in that future period.

Revenue from the rendering of a service (i.e. accommodation) is recognised upon the delivery of the service to the members and customers.

Interest revenue is recognised as it accrues using the effective interest rate method, which for floating rate financial assets is the rate inherent in instrument.

All revenue is stated net of the amount of goods and services tax (GST).

GUNYANG SKI LODGE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property, Plant and Equipment

Each class of plant and equipment is carried at cost, less any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis less depreciation and any impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal.

Depreciation

The depreciable amount of all property, plant and equipment subject to depreciation is depreciated on a straight-line basis over their useful lives to the Company commencing from the time the asset is held ready for use.

The depreciation rates and methods used for each class of depreciable asset are:

<i>Class of Fixed Asset</i>	<i>Depreciation rate</i>
Leasehold improvements	2.5%
Furniture and equipment	10% - 75%

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each reporting date.

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

(d) Intangible Assets

Lease right

Lease right has a finite life and is carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight line method over the estimated useful life of 50 years less 1 day. The lease right is tested for impairment annually.

GUNYANG SKI LODGE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Right-of-use Assets

A lease asset is recognised at the commencement date of a lease. The lease asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Lease assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Lease assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

(f) Impairment of Assets

At the end of each reporting period, the Company reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

Where the future economic benefits of the asset are not primarily dependent upon on the asset's ability to generate net cash inflows and when the Company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

(h) Trade and Other Receivables

Trade and other receivables include amounts due from customers for services in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

GUNYANG SKI LODGE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being paid within 30 days of recognition of the liability.

(k) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the Statement Profit or Loss and Other Comprehensive Income in the period in which they are incurred.

(l) Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding lease asset, or to profit or loss if the carrying amount of the lease asset is fully written down.

(m) Income Received in Advance

Accommodation and ancillary charges revenue is recognised in the period in which the guests visit occurs. Any relevant cost associated are also recognised in the same period to match income and expense in the appropriate period.

GUNYANG SKI LODGE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligations at the end of the reporting period.

(o) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting

(p) Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods affected.

There were no key adjustments during the year arising from estimates and judgements.

Key Estimate

(i) Impairment

The Company assesses the impairment at the end of each reporting period by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. There were no impairments during the year.

(ii) Lease term

The lease term is a significant component in the measurement of both the lease asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

(iii) Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the lease asset, with similar terms, security and economic environment.

GUNYANG SKI LODGE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Going Concern

Notwithstanding the net current asset deficiency of \$172,163 at year end, in the opinion of the Directors, the Company is considered to be a going concern, and can pay its debts as and when they fall due. The forecast operating cashflow and bank overdraft facility are sufficient to ensure the Company continues as a going concern.

	Note	2020 \$	2019 \$
NOTE 2: OPERATING SURPLUS BEFORE INCOME TAX			
(a) Revenue			
- Membership subscriptions		24,750	19,800
- Member accommodation		63,210	118,115
- Non-member accommodation		7,902	34,561
- Sundry revenue items		12,175	218
		108,037	172,694
(b) Expenses			
- Remuneration of the auditor of the Company for: <i>Pitcher Partners Sydney</i>			
- auditing the financial report		6,025	7,080
- non-assurance services		5,750	10,155
		11,775	17,235

NOTE 3: CASH AND CASH EQUIVALENTS

Cash at bank		-	-
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Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:

- Cash and cash equivalents		-	-
- Bank overdraft	8	(147,055)	(127,673)
		(147,055)	(127,673)

NOTE 4: TRADE AND OTHER RECEIVABLES

CURRENT			
Trade receivables		11,195	6,465
Provision for doubtful debts		(2,075)	(2,075)
		9,120	4,390

GUNYANG SKI LODGE LIMITED
ABN 49 110 585 656

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
NOTE 5: OTHER ASSETS			
CURRENT			
Prepayments		<u>4,606</u>	<u>6,511</u>
NOTE 6: PLANT AND EQUIPMENT			
Leasehold improvements			
At cost		933,895	933,895
Less: accumulated depreciation		<u>(235,664)</u>	<u>(217,696)</u>
		<u>698,231</u>	<u>716,199</u>
Furniture, fixtures and equipment			
At cost		122,176	122,176
Less: accumulated depreciation		<u>(116,661)</u>	<u>(115,595)</u>
		<u>5,515</u>	<u>6,581</u>
Total Plant and Equipment		<u>703,746</u>	<u>722,780</u>
NOTE 7: INTANGIBLE ASSETS			
Lease right - Gunyang Ski Lodge			
At cost		-	695,399
Less: accumulated amortisation		<u>-</u>	<u>(166,895)</u>
		<u>-</u>	<u>528,504</u>
Total Intangible Assets		<u>-</u>	<u>528,504</u>
NOTE 8: BORROWINGS			
NON-CURRENT			
Bank overdraft	(a)	<u>147,055</u>	<u>127,673</u>

- (a) The bank overdraft (\$250,000 limit) is secured by a fixed and floating charge over the assets held by the company, and the sub-lease of Gunyang Ski Lodge, Lot 274 Chimneys Way, Thredbo Village NSW 2625, from Kosciusko Thredbo Pty Limited. Whilst no maturity date exists for the settlement of the balance of the bank overdraft, it is the intention of the directors to have paid the balance in full within 4 years of balance date.

GUNYANG SKI LODGE LIMITED
ABN 49 110 585 656

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
NOTE 9: TRADE AND OTHER PAYABLES		
CURRENT		
Net GST payable	458	(306)
Accruals	12,196	14,000
	<u>12,654</u>	<u>13,694</u>
 NOTE 10: LEASE ASSETS AND LIABILITIES		
NON-CURRENT		
Lease assets		
At cost	1,105,037	-
Accumulated amortisation	(191,583)	-
	<u>913,454</u>	<u>-</u>
		\$
At 1 July 2019		1,105,037
Additions at cost		-
Amortisation		(191,583)
Carrying amount at end of year		<u>913,454</u>
 Lease Liabilities		
Current	1,638	-
Non-current	406,631	-
	<u>408,269</u>	<u>-</u>
		2020
		\$
Amounts recognised in the statement of profit or loss and other comprehensive income		
Interest expense (included in finance costs)		<u>15,840</u>
Total cash outflow for leases		<u>17,208</u>

GUNYANG SKI LODGE LIMITED
ABN 49 110 585 656

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
NOTE 11: CONTRACT LIABILITIES		
CURRENT		
Fees received in advance	<u>24,542</u>	<u>48,402</u>
 NOTE 12: PROVISIONS		
CURRENT		
Other provision	<u>-</u>	<u>-</u>
 Movement during the year		
Balance at the beginning of the year	-	7,000
Increase in entitlements for the year	-	-
Write-off of existing provision due to policy change	<u>-</u>	<u>(7,000)</u>
Balance at the end of the year	<u>-</u>	<u>-</u>

NOTE 13: EVENTS AFTER THE REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 June 2020 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2020, of the Company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2020, of the Company.

NOTE 14: CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

There are no capital expenditure commitments at the end of the financial year (2019: \$nil).

(b) Operating Lease Commitments

Non-cancellable operating lease commitments contracted:

- Not later than 1 year	16,800
- Between 2 years and 5 years	69,270
- More than 5 years	<u>719,645</u>
	<u>805,715</u>

GUNYANG SKI LODGE LIMITED
ABN 49 110 585 656

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
NOTE 15: CASH FLOW INFORMATION		
Reconciliation of cash flows from operations with net deficit for the year:		
Net (deficit) / surplus for the year	(34,010)	6,752
Non cash flows in (deficit) / surplus		
Depreciation and amortisation	43,722	36,662
Changes in assets and liabilities:		
(Increase) / Decrease in trade and other receivables	(4,730)	18,707
Decrease in other assets	1,905	4,225
(Decrease) / Increase in trade and other payables	(1,040)	4,874
(Decrease) in contract liabilities	(23,860)	(42,388)
(Decrease) in provisions	-	(7,000)
Cash flows (used in) / provided by operating activities	<u>(18,013)</u>	<u>21,832</u>

NOTE 16: COMPANY DETAILS

The registered office of the Company is:

John R Quinn & Co
Level 12, 60 Park Street
SYDNEY NSW 2000

The principal place of business is:

Gunyang Ski Lodge
4 Chimneys Way
KOSCIUSZKO NATIONAL PARK NSW 2625

GUNYANG SKI LODGE LIMITED
ABN 49 110 585 656

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2020

The Directors have determined that Gunyang Ski Lodge Limited ("the Company") is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 20 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards as described in Note 1 to the financial statements and the *Corporations Regulations 2001*; and
 - b. give a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors of the Company.



John Quinn
Chairperson

Dated in Sydney, this 20th day of October 2020.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GUNYANG SKI LODGE LIMITED
ABN: 49 110 585 656**

Report on the Financial Report

Opinion

We have audited the financial report of Gunyang Ski Lodge Limited (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Director's declaration.

In our opinion, the financial report of Gunyang Ski Lodge Limited is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards to the extent described in note 1 and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (Including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Company's financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Directors Report and the detailed statement of profit or loss for the year ended 30 June 2020 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and has determined that the basis of preparation described in note 1 to the financial report is appropriate to meet the requirements of the members and the *Corporations Act 2001*. The Director's responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

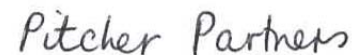
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



M A ALEXANDER

Partner

29 October 2020



PITCHER PARTNERS

Sydney

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201 Sussex Street
Sydney NSW 2000

Postal Address
GPO Box 1615
Sydney NSW 2001

p. +61 2 9221 2099
e. sydneypartners@pitcher.com.au

**COMPILATION REPORT
TO THE MEMBERS OF GUNYANG SKI LODGE LIMITED**

The Directors have compiled the accompanying detailed statement of profit or loss of Gungyang Ski Lodge for the year ended 30 June 2020 as set out on page 26.

Responsibility of the Directors

The Directors is solely responsible for the information contained in the detailed statement of profit or loss and have determined that the basis of accounting used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by the Directors, we have reviewed the accompanying detailed statement of profit or loss in accordance with the basis of accounting and APES 315

Compilation of Financial Information.

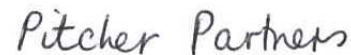
Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Directors provided, in compiling financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The detailed statement of profit or loss was compiled exclusively for the benefit of the members of the Company. We do not accept responsibility to any other person for the contents of the detailed statement of profit or loss.



M A ALEXANDER
Partner

29 October 2020



PITCHER PARTNERS
Sydney

GUNYANG SKI LODGE LIMITED
ABN 49 110 585 656

DETAILED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
INCOME		
Membership income	24,750	19,800
Members' accommodation	63,210	118,115
Non-members' accommodation	7,902	34,561
Miscellaneous income	12,175	218
	<hr/>	<hr/>
TOTAL INCOME	108,037	172,694
	<hr/>	<hr/>
EXPENSES		
Accounting fees	8,792	13,260
Administration fees	1,793	8,255
Audit fees	6,025	7,079
Bad debts expense	-	1,045
Bank charges	3,529	3,973
Booking office expense	6,020	15,945
Depreciation and amortisation	43,722	36,662
Insurance	11,115	9,679
Interest expense	21,926	4,447
Office expenses	2,092	2,222
Property and occupancy expenses	36,936	46,254
Rent expense	97	17,073
Website and advertising	-	48
	<hr/>	<hr/>
TOTAL EXPENSES	142,047	165,942
	<hr/>	<hr/>
(DEFICIT) / SURPLUS BEFORE INCOME TAX	(34,010)	6,752
	<hr/>	<hr/>
INCOME TAX EXPENSE	-	-
	<hr/>	<hr/>
(DEFICIT) / SURPLUS FOR THE YEAR	(34,010)	6,752
	<hr/> <hr/>	<hr/> <hr/>